The Saskatchewan
Water Appeal Board

# Annual Report 2004–2005

# Saskatchewan Water Appeal Board

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Her Honour L. Haverstock
Lieutenant Governor of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Ms. Haverstock:

It is my pleasure to submit to you the Annual Report for the Water Appeal Board for the fiscal year ending March 31, 2005.

Respectfully submitted,

David Forbes
Minister, Department of Environment

Honourable David Forbes
Minister
Department of Environment
Legislative Building
Regina, Saskatchewan

Dear Mr. Forbes:

I am pleased to present the Annual Report of the Water Appeal Board for the fiscal year ending March 31, 2005.

Respectfully submitted,

David G. Barisow
Chairperson

## Chairperson's Comments

We have come a long way in water management in Saskatchewan since the passage of the *Northwest Irrigation Act* in 1894 by the Federal Government. The province assumed responsibility for resource management in 1930. The first regulatory water resource statute was *The Water Rights Act* of 1931. *The Water Rights Act* permitted the licensed use of water in an orderly fashion; however, it was not intended to deal with drainage and flooding. Until 1980 there was continued absence of a statute regulating private drainage.

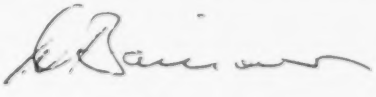
Coming into force in early 1981, *The Drainage Control Act* provided a mechanism to resolve drainage and flooding problems through a complaint procedure, instead of through the courts. It provided a mechanism of appeal to any decision, order, or action under the *Act*. A Drainage Appeal Board was established to receive and hear appeals, and issue Decisions and Orders. The Water Appeal Board of today replaced the former Drainage Appeal Board with the coming into force of *The Water Appeal Board Act* concurrently with *The Water Corporation Act* in 1984. The Saskatchewan Water Corporation (Sask Water) received formal complaints on drainage, surface water, groundwater, and municipal sewage lagoons, etc. Subsequent Decisions and Orders rendered by the Corporation could be appealed to, and were heard by, the Water Appeal Board.

The watershed management responsibilities of Sask Water, Saskatchewan Environment, and Saskatchewan Wetland Corporation were combined in 2002 into the Saskatchewan Watershed Authority, a treasury board crown corporation. *The Watershed Authority Act* of 2002 made provision for the receipt and investigation of formal complaints on **"drainage works"** only. Thereafter, the Water Appeal Board would only receive and hear appeals on Decisions and Orders specific to drainage works.

The Water Appeal Board and respective appointments, as a result of provincial budget decisions, was intended to cease when the term of the last Board expired on May 6, 2004. During the 2004–05 fiscal year the Board activities and functions were to be phased out. The Board secretary continued the administrative role in maintaining the Water Appeal Board office. On March 31, 2004 there were 3 appeals waiting to be heard. For the period April 1 – May 6, 2004, the former board heard one appeal prior to term expiry. Further consideration by the Department of Environment resulted in appointment of a new 5 member board in early December, 2004. The new Board was activated on February 28, 2005, at which time there were 7 appeals waiting to be heard.

The Water Appeal Board, appointed by the Lieutenant Governor in Council, is an administrative tribunal authorized by law to make decisions and accordingly is bound to a general duty of fairness. In a formal setting oral hearings are conducted which accommodate the giving of evidence and allow cross-examination. Board decisions may be appealed to the court on a question of law.

The Water Appeal Board will once again serve a segment of the administrative justice system in the Province. The new Board is poised to serve its mandated responsibilities consistent with the high standards and achievements of precedent Boards.



David G. Barisow
Chairperson

## Board Members

| | |
|---|---|
| **Chairperson:** | David G. Barisow<br>207 Williston Drive<br>Regina, Saskatchewan<br>S4X 2H3 |
| **Vice-Chairperson:** | Gordon Young<br>P.O. Box 233<br>Porcupine Plain, Saskatchewan<br>S0E 1H0 |
| **Member:** | Donna Strudwick<br>P.O. Box 501<br>Balgonie, Saskatchewan<br>S0G 0E0 |
| **Member:** | Tim Thiele<br>P.O. Box 642<br>Lumsden, Saskatchewan<br>S0G 3C0 |
| **Member:** | Theodore (Ted) Wiensz<br>Box 2, Site 7, RR #1<br>Swift Current, Saskatchewan<br>S9H 3X7 |

## Table No. 1

| Appeals/Hearings | 2005 | 2004 | 2003 | 2002 | 2001 |
|---|---|---|---|---|---|
| Waiting to be heard at beginning of year | 3 | 6 | 7 | 10 | 26 |
| New appeals filed | 5 | 9 | 8 | 12 | 10 |
| Appeals heard | 1 | 10 | 5* | 11 | 4 |
| Appeals withdrawn and/or dismissed | — | — | 4 | 3 | 21 |
| Appeals filed but not accepted | — | 2 | — | 1 | 1 |
| Appeals waiting to be heard at year end | 7 | 3 | 6 | 7 | 10 |
| Appeals ordered to be heard or re-heard from the Queen's Bench | — | — | — | — | — |
| Appeals re-heard per Queen's Bench Order | — | — | — | 1 | — |
| Board meetings | 3 | 12 | 12 | 17 | 14 |
| Decisions rendered | 4 | 10 | 4 | 11 | 4 |
| Decisions rendered on appeals re-heard per Queen's Bench Order | — | — | — | 1 | — |
| Decisions outstanding | — | 3 | 3 | 2 | 2 |
| Saskatchewan Water Corporation decisions affirmed | 4 | 10 | 4 | 8 | 2 |
| Saskatchewan Water Corporation decisions varied or overturned | — | — | — | 3 | 2 |
| Decisions appealed to the Court of Queen's Bench | 2 | — | 1 | 3 | 2 |

*Also: 1 prehearing
1 day to commence an appeal hearing which concluded in June, 2003

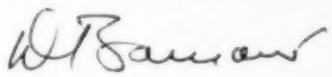
## Board's Report

To the Members of the Legislative Assembly of Saskatchewan

The Water Appeal Board consists of five members appointed by the Lieutenant Governor in Council. The Board is responsible for financial administration, administration of the funds, and management of the assets.

The financial statements which follow have been prepared in conformity with accounting principles generally accepted in Canada and have been approved by the Board. The Board uses internal controls and exercises its best judgement in order that the financial statements reflect fairly the financial position of the Board.

The financial statements have been examined by the Provincial Auditor whose report follows.



Regina, Saskatchewan
May 27, 2005

David G. Barisow
Chairperson

# Water Appeal Board Financial Statements
# Year Ended March 31, 2005
# Office of the Provincial Auditor
# Regina, Saskatchewan

105-06572/

## Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Water Appeal Board as at March 31, 2005 and the statements of operations and net assets, and cash flows for the year then ended. The Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2905 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 27, 2005

Fred Wendel, CMA, CA
Provincial Auditor

# Water Appeal Board
## Statement of Financial Position
## As at March 31

| | 2005 | 2004 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash | $ 62,805 | $100,563 |
| Accounts receivable | 184 | 295 |
| | 62,989 | 100,858 |
| Capital assets (Note 3) | 702 | 1,405 |
| | $ 63,691 | $102,263 |
| **Liabilities & Net Assets** | | |
| Current liabilities: | | |
| Accounts payable | $ 875 | $ 3,131 |
| Appellant deposits (Note 4) | 1,400 | 1,200 |
| | 2,275 | 4,331 |
| Net assets (Statement 2) | 61,416 | 97,932 |
| | $ 63,691 | $102,263 |

(See accompanying notes to the financial statements)

# Water Appeal Board
## Statement of Operations and Net Assets
## For the Year Ended March 31

| | 2005 | | 2004 |
|---|---|---|---|
| | Budget | Actual | Actual |
| Revenues: | (Note 6) | | |
| Grant from General Revenue Fund – Department of Environment | $ 88,703 | — | $ 90,000 |
| Transcript fees | 3,000 | 1,532 | — |
| Interest | 2,500 | 1,169 | 1,484 |
| Appellant fees (Note 4) | 1,000 | 800 | 2,000 |
| Other | — | 855 | 498 |
| | 95,203 | 4,356 | 93,982 |
| Expenses: | | | |
| Board honoraria | 44,985 | 5,218 | 22,789 |
| Travel and sustenance | 31,105 | 3,488 | 14,548 |
| Secretarial services | 24,500 | 19,320 | 19,681 |
| Professional fees | 12,000 | 1,259 | 563 |
| Office supplies | 6,000 | 3,335 | 4,397 |
| Meeting room rental | 9,495 | 1,095 | 4,580 |
| Transcript fees | 3,000 | 918 | — |
| Office rental | 3,120 | 3,425 | 3,140 |
| Telephone | 3,996 | 1,532 | 2,274 |
| Amortization of capital assets | — | 702 | 1,693 |
| Accounting and printing services | 1,000 | 455 | 468 |
| Other | — | 125 | 48 |
| | 139,201 | 40,872 | 74,181 |
| Surplus (deficit) for the year | $ (43,998) | (36,516) | 19,801 |
| Net assets, beginning of year | | 97,932 | 78,131 |
| Net assets, end of year—to Statement 1 | | $ 61,416 | $ 97,932 |

(See accompanying notes to the financial statements)

# Water Appeal Board
## Statement of Cash Flows
## For the Year Ended March 31

| | 2005 | 2004 |
|---|---|---|
| Cash flows provided by (used in) operating activities: | | |
| Grant from General Revenue Fund – Department of Environment | $ — | $ 90,000 |
| Receipts from appellants | 1,000 | 1,400 |
| Receipts from customers | 2,462 | 336 |
| Interest received | 1,205 | 1,516 |
| Payments to board members for honoraria, travel and sustenance | (8,626) | (37,938) |
| Payments to appellants | — | (600) |
| Payments to suppliers | (33,799) | (36,473) |
| | (37,758) | 18,241 |
| Cash flows from investing activities: | | |
| Purchase of capital assets | — | (2,107) |
| | — | (2,107) |
| Net (decrease) increase in cash | (37,758) | 16,134 |
| Cash, beginning of year | 100,563 | 84,429 |
| Cash, end of year | $ 62,805 | $ 100,563 |

(See accompanying notes to the financial statements)

# Water Appeal Board
# Notes to the Financial Statements
# March 31, 2004

## 1. Authority

The Water Appeal Board was established under *The Water Appeal Board Act*, on July 1, 1984. The purpose of the Board is to hear and determine appeals made pursuant to *The Saskatchewan Watershed Authority Act* (formerly *The Water Corporation Act*).

## 2. Significant Accounting Policies

These financial statements have been prepared using Canadian generally accepted accounting principles. The following accounting policies are considered significant.

a) Revenue

The grant from the General Revenue Fund – Department of Environment is recognized as revenue when approved and any eligibility criteria are met.

b) Appellant fees

Appellant deposits are recognized as appellant fee revenue when the appeals have been heard and the appellants are not successful in their appeal.

c) Capital assets

Capital assets costing more than $500 are recorded at cost and amortized over their useful lives. Amortization of equipment commences in the year of acquisition and amortization is calculated on a straight-line basis over three years.

## 3. Capital Assets

| | Cost | | Accumulated Amortization | | Net Book Value | |
|---|---|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Equipment | $ 8,508 | $ 8,508 | $ 7,806 | $ 7,103 | $ 702 | $ 1,405 |

## 4. Appellant Deposits

Appellant deposits are held by the Board until the appeals have been heard and the decisions rendered. Once the decisions have been rendered by the Board these deposits are dealt with in one of two manners:

i) The deposit is returned if the appellant has been successful in his/her appeal.

ii) The deposit is retained by the Board and recorded as income if the appellant is not successful in his/her appeal.

At year end, the Board had 7 appeals (2004 — 3 appeals) that are awaiting hearing and no appeals (2004 — 3 appeals) that are awaiting decision.

## 5. Financial Instruments

The Board's financial instruments include accounts receivable, accounts payable and appellant deposits. The fair value of these instruments approximates their carrying value due to the immediate or short-term nature of these financial instruments.

## 6. Budget

These amounts represent the budget approved by the Water Appeal Board.

## 7. Related Party Transactions

These financial statements include transactions with related parties. The Board is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Board is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. These transactions, and amounts outstanding at year end, are as follows:

| Category | | 2005 | 2004 |
|---|---|---|---|
| Revenue | – Other | $ 855 | $ 498 |
| Expenses | – Office rental | 3,425 | 3,140 |
| | – Telephone | 1,532 | 1,914 |
| Accounts receivable | | 87 | 162 |
| Accounts payable | | 98 | 153 |

The Board pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

## 8. Board Appointments

On March 31, 2004, the Board was advised by the Department of Environment that as a result of provincial budget decisions, funding would not be provided for the Water Appeal Board after April 1, 2004. The Department of Environment reviewed the matter of winding up the Board, its activities, and function during the 2004-2005 fiscal year. As a result of this review, a new five member Board was appointed by Order in Council #818/2004. Also, in the future funding may be provided if needed to support normal Board activity.

## 9. Comparative Figures

Certain prior year balances have been reclassified to conform with the current year's financial statement presentation.

## Honoraria Paid to Board Members

### Fiscal 2005

| | 04/21/04 | 05/04/04 | 03/03/05 | TOTAL |
|---|---|---|---|---|
| D. Horner | $2,115.00 | $117.50 | | $2,232.50 |
| V. Kononoff | | $77.50 | | $77.50 |
| J. Bell | $697.50 | $77.50 | | $775.00 |
| W. Randall | $775.00 | $77.50 | | $852.50 |
| J. Ruether | $620.00 | $77.50 | | $697.50 |
| D. Barisow | | | $117.50 | $117.50 |
| G. Young | | | $232.50 | $232.50 |
| T. Thiele | | | $77.50 | $77.50 |
| T. Wiensz | | | $155.00 | $155.00 |
| | $4,207.50 | $427.50 | $582.50 | $5,217.50 |

## Travel and Sustenance

### Fiscal 2005

| | 04/21/04 | 03/03/05 | TOTAL |
|---|---|---|---|
| D. Horner | 991.03 | | 991.03 |
| V. Kononoff | | | |
| J. Bell | 618.65 | | 618.65 |
| W. Randall | 580.12 | | 580.12 |
| J. Ruether | 597.45 | | 597.45 |
| Secretary | $93.00 | | $93.00 |
| D. Barisow | | 8.08 | 8.08 |
| G. Young | | $409.70 | $409.70 |
| T. Thiele | | $22.04 | $22.04 |
| T. Wiensz | | $168.16 | $168.16 |
| | $2,880.25 | $607.98 | $3,488.23 |